

REPORT

CD NO.

DATE DISTR. 4 March 1949

NO. OF PAGES 2

NO. OF ENCLS.
(LISTED BELOW)

SUPPLEMENT
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT 50 U.S.C., 81 AND 82, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. VIOLATION OF THIS CODE IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

50X1-HUM

recent developments in the German Properties Department of USIA as further indication of intensified Soviet efforts to complete and consolidate their records on the German property question in Austria in preparation for the treaty negotiations.

50X1-HUM

1. The German Properties Department has been instructed by USIA headquarters to abide by a two-year-old directive, hitherto usually ignored, which provides that estimates of German ownership of firms in Austria must include debts owed to the following banking concerns: [redacted] Comment: These are banks having varying degrees of former German ownership. 50X

50X1-HUM

Leanderbank
 Creditanstalt
 Nicolai K. & Co.
 Deutsche Verkehrs-Kredit-Bank
 Bank der Deutschen Arbeit A.G.
 Bank der Deutschen Luftfahrt A.G.
 Commerzbank in Wien
 Hypotheken und Credit-Institut A.G.
 Genossenschaftliche Zentralbank Wien A.G.
 Deutsche Bau- und Boden Bank A.G.

50X1-HUM

50X1-HUM

The German Properties Department will be obliged to review all its case files and increase German ownership estimates for firms with debts owed to the banks listed above.

20. In accordance with a second directive, case files are to be scrutinized for mention of German equipment being used by Austrian firms which has not yet been paid for in full. The Ankerbrot baking plant in Vienna is a case in point. Comment: This is a non-USIA-controlled firm in the Soviet sector of Vienna. This plant is using at least 11 large machines procured from Germany for which full payment has never been made.

50X1-HUM

CLASSIFICATION **SECRET/CONTROL - U.S. OFFICIALS ONLY**

[illegible]

50X1-HUM

CENTRAL INTELLIGENCE AGENCY

- 2 -

50X1-HUM

A Soviet commission recently inspected the plant to determine the feasibility of dismantling the machines as German property. A Communist shop steward of Ankerbrot has stated that if the dismantling were to be carried out, bread supplies in Vienna would be seriously affected.

3. A third directive provides for investigations of files on properties which may have been requisitioned by the Soviets as German property without sufficient legal justification. Comment: Many properties were requisitioned on the basis of poorly investigated denunciations made to Soviet Komendaturas in Vienna. Complaints of unjust seizure by former owners of some of these properties are just beginning to reach the attention of CIA headquarters.)

50X1-HUM

SECRET/CONTROL - U.S. OFFICIALS ONLY